

University of Groningen

## Social Impacts of Land Acquisition for Oil and Gas Development in Uganda

Ogwang, Tom; Vanclay, Frank

*Published in:*  
Land

*DOI:*  
[10.3390/land8070109](https://doi.org/10.3390/land8070109)

**IMPORTANT NOTE:** You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

*Document Version*  
Publisher's PDF, also known as Version of record

*Publication date:*  
2019

[Link to publication in University of Groningen/UMCG research database](#)

*Citation for published version (APA):*

Ogwang, T., & Vanclay, F. (2019). Social Impacts of Land Acquisition for Oil and Gas Development in Uganda. *Land*, 8(7), [109]. <https://doi.org/10.3390/land8070109>

**Copyright**

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

**Take-down policy**

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

*Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.*

## Article

# Social Impacts of Land Acquisition for Oil and Gas Development in Uganda

Tom Ogwang  and Frank Vanclay 

Urban and Regional Studies Institute, Faculty of Spatial Sciences, University of Groningen,  
9700AV Groningen, The Netherlands

\* Correspondence: t.ogwang@rug.nl or ogwangtom@gmail.com

Received: 24 May 2019; Accepted: 4 July 2019; Published: 8 July 2019



**Abstract:** Uganda's oil and gas sector has transitioned from the exploration phase to the development phase in preparation for oil production (the operations phase). The extraction, processing, and distribution of oil require a great deal of infrastructure, which demands considerable acquisition of land from communities surrounding project sites. Here, we examine the social impacts of project land acquisition associated with oil production in the Albertine Graben region of Uganda. We specifically consider five major oil related projects that have or will displace people, and we discuss the consequences of this actual or future displacement on the lives and livelihoods of local people. The projects are: Tilenga; Kingfisher; the East African Crude Oil Pipeline; the Kabaale Industrial Park; and the Hoima–Kampala Petroleum Products Pipeline. Our findings reveal both positive and negative outcomes for local communities. People with qualifications have benefited or will benefit from the job opportunities arising from the projects and from the much-needed infrastructure (i.e., roads, health centres, airport) that has been or will be built. However, many people have been displaced, causing food insecurity, the disintegration of social and cultural cohesion, and reduced access to social services. The influx of immigrants has increased tensions because of increasing competition for jobs. Crime and social issues such as prostitution have also increased and are expected to increase.

**Keywords:** project-induced displacement and resettlement; livelihood restoration; local resource curse; extractive industries and society; social impact assessment; business and society; land acquisition; landtake

## 1. Introduction

Commercial oil deposits were first discovered in the Albertine Graben region in western Uganda in 2006, and since then the Government of Uganda has had plans for their exploitation, although the target date for first oil has been postponed several times [1]. The extraction of oil means that there will be several large projects in the region, potentially including an oil refinery, the generation of electricity from gas, the export of crude oil to international markets by pipeline via Tanzania, and a new international airport. The Government expects that the development of the oil and gas industry will accelerate economic growth, job creation, contribute to poverty eradication, and improve the general prosperity of Uganda [2–4]. However, each project requires large amounts of capital, technical expertise, and land. The demand for land has led and will continue to lead to the displacement of large numbers of people [3–5].

Irrespective of their purpose, large projects require land, and sometimes very large tracts of land [6]. Many projects cause displacement. If not managed well, resettlement can have severe consequences for local communities [3,6–8] and can create human rights impacts [9,10]. All projects should adhere to international best practices, which, among other things, require that involuntary resettlement be avoided or at least minimised, and that, where resettlement is unavoidable, all affected people should be fully and fairly compensated, and have an opportunity to be involved in the resettlement

process [6–13]. Each project should be considered as an opportunity to improve the wellbeing of affected people. If international standards are not complied with, land acquisition for projects and the associated displacement and resettlement leads to impoverishment and conflict [6,13–16].

Scholars have argued that the extractive industries tend to be associated with the resource curse and issues like corruption, political and social instability, and economic underperformance, rather than positive and inclusive development [17–20]. Uganda is at a critical point if it wants to avoid joining the growing list of resource curse countries [16,21,22]. It needs to ensure that the land needed for oil and gas infrastructure is acquired in a fair and transparent way, and with the consent of the original land owners. People in local communities need to be fairly and promptly compensated for their land [5,23]. Arguably, if land acquisition and future revenues are well managed, this could lead to economic prosperity and the improved welfare of Ugandans, however, if badly managed, there will be many negative outcomes, including protests, project delays, escalating costs, reputational damage, food insecurity, and conflict [13,24–26].

In this paper, we examine five of the major projects associated with the development of oil and gas in Uganda, each of which requires substantial landtake. We discuss the social impacts these projects have had and will continue to have on the livelihoods of local people. We argue that oil and gas development should not lead to a resource curse [27], Dutch disease, and/or the Nigerian disease [28]. Instead, Uganda and other resource-rich countries in Africa should ensure that the negative consequences from resource exploitation, and especially from land acquisition, are fully addressed by adhering to international best practice [7,13]. Opportunities for benefit sharing should be properly considered and implemented by the oil companies and the government in a negotiated and coordinated way [6,29]. Should this occur, local communities and the nation at large will prosper, and the oil companies will gain a social license to operate and grow. In addition, they will be more likely to experience the efficient and effective implementation of their projects [30,31].

## 2. Methodology

This paper is part of a larger research project that examines whether the discovery of oil is a blessing or curse for Uganda [3,32]. For the larger project, we are investigating whether the presence of resources in Uganda is likely to lead to disempowerment rather than empowerment, making local communities more vulnerable to the activities and manipulations of local and global speculators, entrepreneurs, companies, and/or local political leaders, thus leading to a local resource curse. For this paper, we specifically focus on the social impacts created by the land acquisition for oil exploitation in Uganda. We consider how land acquisition has led and will continue to lead to displacement, and the associated consequences on the lives and livelihoods of people in local and surrounding communities, and beyond.

In addition to an extensive document analysis and literature review, the research for this paper is based on primary data collected by the lead author (a Ugandan national) between December 2017 and February 2019 in Kampala (the capital city of Uganda) and in the districts of Hoima, Buliisa, and Nwoya in the Albertine Graben region. These districts were selected because most oil activities and much of the land acquired for the oil developments are concentrated there. Hoima and Buliisa districts will host infrastructure such as wellpads, refineries, pipelines, an airport and a central processing facility, and are experiencing much land acquisition and resettlement activities. Much speculative land grabbing has also occurred there [3,32]. Kampala hosts the headquarters of the oil companies and the Ministry of Energy and Mineral Development, as well as agencies like the Directorate of Petroleum, the National Environment Management Authority, the Petroleum Authority of Uganda, and the Uganda National Oil Company.

Our research primarily used qualitative data collection techniques, including in-depth interviews, focus group discussions, and field observation. A total of 67 people participated in the research, including interviews with 32 key informants, and 5 focus group discussions with 5 to 7 participants in each group. Interviews and focus groups were conducted on the basis of informed consent

and ethical social research [33]. The participants interviewed included local government officials, journalists, local leaders, civil society organisations, officials from the Ministry of Energy and Mineral Development, the Bunyoro Kitara Kingdom, Members of Parliament, oil companies, the Ministry of Water and Environment, and members of local communities. Field observation was undertaken to gain an impression of the region and to corroborate claims made relating to landtake, displacement, and infrastructure development.

The researchers also reviewed relevant secondary sources, including Environmental and Social Impact Assessment (ESIA) reports, Resettlement Action Plans and Resettlement Policy Frameworks, strategic development plans, and key legislation, as well as reports from non-government organizations (NGOs). The research took place at a time when the regulatory bodies, the National Environment Management Authority, and the Petroleum Authority of Uganda, were conducting public hearings relating to the Tilenga Project ESIA in the Buliisa and Nwoya districts. The research benefited from these public hearings and two public workshops held in Kampala in 2018. The data were analysed using thematic analysis and content analysis techniques to identify issues.

### 3. Land, Land Rights, Land Use and Land Ownership in Uganda

An issue that complicates the process of project land acquisition in Uganda is uncertainty and conflict over land ownership [34,35]. Article 237 of the Uganda Constitution [36] (p.148) discusses land ownership, stating that the national and local governments may “acquire land in the public interest; and the conditions governing such acquisition shall be as prescribed by Parliament”. Four types of land tenure are recognised in Ugandan law: (a) customary; (b) freehold; (c) mailo, a specific form of tenure dating back to the Uganda Agreement of 1900 between the British Government and the Kingdom of Buganda; and (d) leasehold. Over 70% of land in Uganda is under customary tenure and usually without any certificate of ownership [37]. Community members may claim customary tenure over land on an individual basis or as collective communal tenure. Changes in land use patterns and increasing economic activity and investment in the Albertine Graben, coupled with land grabbing, have increased attempts to convert customary land into freehold tenure. However, this is often difficult because of conflict within communities over who is entitled to land ownership, the cost of conversion to formal tenure, and the cumbersome nature of the process.

The communal ownership of land is not necessarily inclusive, in that not all members of a community are always regarded as having a stake, with women typically being excluded from land ownership [38]. This creates tensions during compensation negotiations because, consistent with international standards, the companies and government insist that women benefit equally to men from land compensation. However, customary laws and practices shape individual relationships with land, which are influenced by traditional societal norms and patriarchal conditions. Formal land ownership is generally only passed on to males, while women tend only to have secondary access to land, which they gain through males (e.g., fathers, husbands, and brothers) [37]. Because of the central importance of land to the livelihoods of local people, and because land can be an avenue of discrimination against women, much care should be exercised when dealing with land ownership and compensation issues.

Like most of Uganda and sub-Saharan Africa generally, the main land use in the Albertine Graben Region is agriculture (crop farming and livestock grazing) [39,40], but now, land is increasingly used for commercial and infrastructure purposes. Increasing population and economic activity will continue to change land use patterns towards more intensive use of land and natural resources. Kinyera [4] argued that land is important in many ways, including because of the intangible aspects associated with land, including cultural and spiritual beliefs. This means that land not only has use for food production, but is also a source of inspiration and spiritual fulfilment [8]. The Bunyoro Kitara Kingdom has complained that their ancestral and spiritual grounds have been much affected by the oil developments, and specifically that their sacred shrines were damaged during the exploration phase and during the construction of oil-related infrastructure [41].

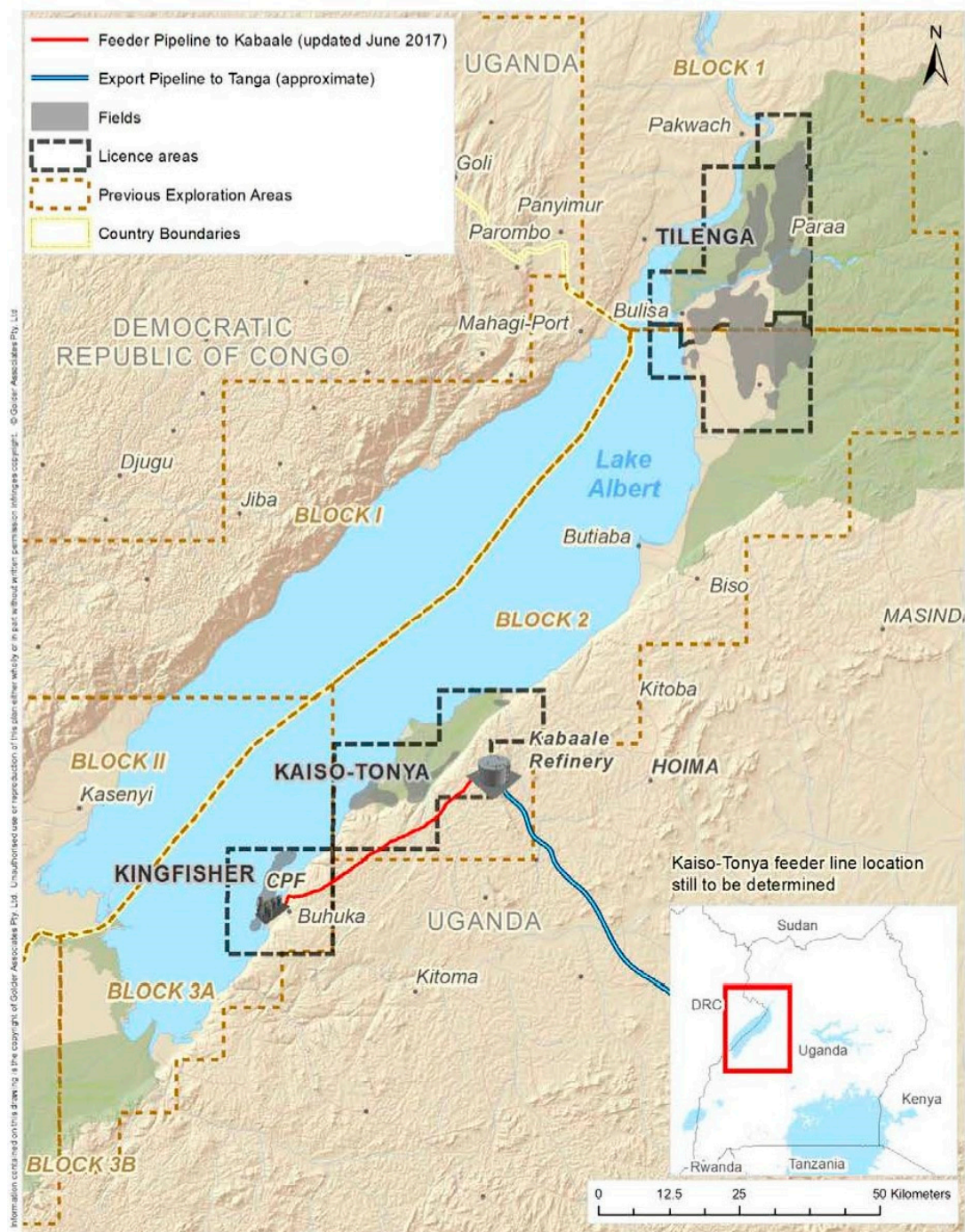
For the vast majority of African peoples, land “is a primary and fundamental but also highly symbolic resource” [42] (p.2). Alao also noted that:

Land is undoubtedly the most important natural resource in Africa. Its importance transcends economics into a breadth of social, spiritual, and political significance. Among other things, it is considered as the place of birth; the place where the ancestors are laid to rest; the place which the creator has designated to be passed down to successive generations; and the final resting place for every child born on its surface. Consequently, every society in Africa sees land as a natural resource that is held in trust for future generations, and the sacredness of this trust lies behind most of the conflicts over land in the continent [15] (p.63).

#### 4. Five Projects Associated with Oil Production in Uganda

Following the discovery of oil, production licences were issued to the joint venture partners CNOOC (2014), Total E&P Uganda (2017), and Tullow Uganda Operations (2017). The licences will run for 25 years, with the possibility of renewal. The total cost (outlay) of the oil development in Uganda (including subprojects) is several billion US dollars [43]. Apart from the oil extraction sites, the additional infrastructure needed for oil production and distribution also necessitates much land acquisition, which will lead to the displacement of more communities. We examine the key five projects that, along with many other projects, comprise oil development in Uganda. We specifically consider the social impacts of these projects, especially the impacts associated with resettlement. Because these projects are deemed essential for the development of Uganda, expropriation potentially can be applied, and all land acquisition would be regarded as involuntary resettlement in World Bank terms [6,7,11]. The five projects we consider are: the Tilenga project; the Kingfisher project; the East African Crude Oil Pipeline (EACOP); the Kabaale Industrial Park; and the Hoima–Kampala Petroleum Products Pipeline (HKPPP) (see Figure 1). These projects were selected on the basis that they are major projects in their own right and each has a substantial landtake. A brief description of these projects follows immediately below, with their social impacts discussed collectively in the next section.





**Figure 1.** Map of Uganda showing the location of the projects (Source: Golder 2018 [44]).

#### 4.1. The Tilenga Project

Tilenga is an oil exploitation project being implemented by Total, a French multinational oil and gas company [45]. The project lies within the Murchison Falls National Park, in the northwest of Uganda. The word ‘Tilenga’ is a combination of the Acholi and Bunyoro names for antelope—‘til’ in Acholi and ‘engabi’ in Bunyoro. Total argues that, along with the other oil and gas projects in Uganda, Tilenga is highly significant for Uganda because of the benefits (especially revenues) Uganda is expected to receive. Total has also asserted that there would be opportunities for many local businesses to supply goods and services to the project, and it also promises to implement sound environmental and social management systems [37]. However, the Murchison Falls National Park is an important biodiversity and tourism area, and a designated

Important Bird Area, known to support many rare, vulnerable, and endangered species [46]. The location of this project in the national park makes this a potentially risky project.

The actual project footprint of the Tilenga project is around 1170 hectares, within a wider project area of approximately 110,000 hectares [37]. One component of project land acquisition was 317 hectares in the Buliisa district for the central processing facility. Altogether, the Tilenga project will physically displace 265 people, with people losing residential land, dwellings, and structures, while a further 345 will be economically displaced, with their livelihoods, primarily crop production, livestock grazing, and natural resource gathering, significantly affected [47].

Land compensation rates have been fixed by the government land valuer at 3.5 million Uganda shillings per acre (equivalent to 946 USD). However, some community members are demanding 21 million shillings per acre (equivalent to 5675 USD). A few local politicians have latched onto these community concerns, amplifying them, and potentially inciting more concern [48]. It seems that project-affected persons have to go to court in order to receive fair compensation.

A Member of Parliament [49] argued that it was important that things be improved, noting that people should be given comprehensive compensation, that minimal cash payments for land only or land-for-land exchanges on their own were not sufficient, and that compensation should include, amongst other things, an allowance for the benefits derived from communal land, job opportunities, and where possible, local content.

#### 4.2. The Kingfisher Project

The Kingfisher oil development project is located on the Buhuka Flats in the Hoima District on the southeastern edge of Lake Albert, and is being developed by CNOOC Uganda, a Chinese company [50]. The oil field is approximately 15 km long and 3 km wide, with an area of 32 km<sup>2</sup> [37]. The project's main components are four onshore wellpads comprising 20 producer wells and 11 water injection wells, a central processing facility located on the Buhuka plain, a water abstraction station, production and injection flowlines, supporting facilities (including camps, a helipad, supply base, and safety check station), local service roads, an access road (generally called the Escarpment Road) from Ikamiro to the project site, and a 46 km feeder pipeline running from the Central Production Facility to the Kabaale refinery. This pipeline needs to be heated to 80 °C to enable the waxy crude oil to flow. The pipeline will cross the local river at various locations and will likely impact the water sources of several surrounding communities. There is the risk of the pipeline rupturing, as well as impacts during construction. This is a major risk to the right to water of local communities.

A statement published in the ESIA for this project suggested that: "People fear the worst, including an influx of foreign and disruptive people, increasing pressure on land, corrupt practices, increased prostitution and disruption of family life, lack of fair compensation for lost land and increased opportunistic land acquisition by outsiders, including government" [51] (p.95).

The total landtake for the Kingfisher Project was approximately 340 hectares [51]. There were 680 affected households, with a total affected population of 2949 persons [51]. This project will have many adverse effects on the local communities. Project-affected persons will find it hard to access land for agriculture or grazing. Social cohesion is likely to be impacted, as people are being relocated to different areas away from the lake. Lake Albert was very important to the livelihoods of people in the surrounding communities, especially in terms of fishing, drying fish, water transport, watering cattle, etc. Given that their access to the lake was restricted during oil exploration, they feel their access will be restricted into the future. Therefore, they are very apprehensive about the future. It is also clear that an exclusion zone will be established around the Kingfisher field and the associated facilities [3,52].

These developments have exposed the communities surrounding Lake Albert to many uncertainties. The easy accessibility of the region and the subsequent influx of people will mean that the demand for fish, fuelwood, and other resources will increase. Given the current overexploitation of fish resources, there is a real concern about overfishing, as well as the risk to fish stocks from oil extraction activities [51]. If these vital resources dwindle, this will have serious consequences for local

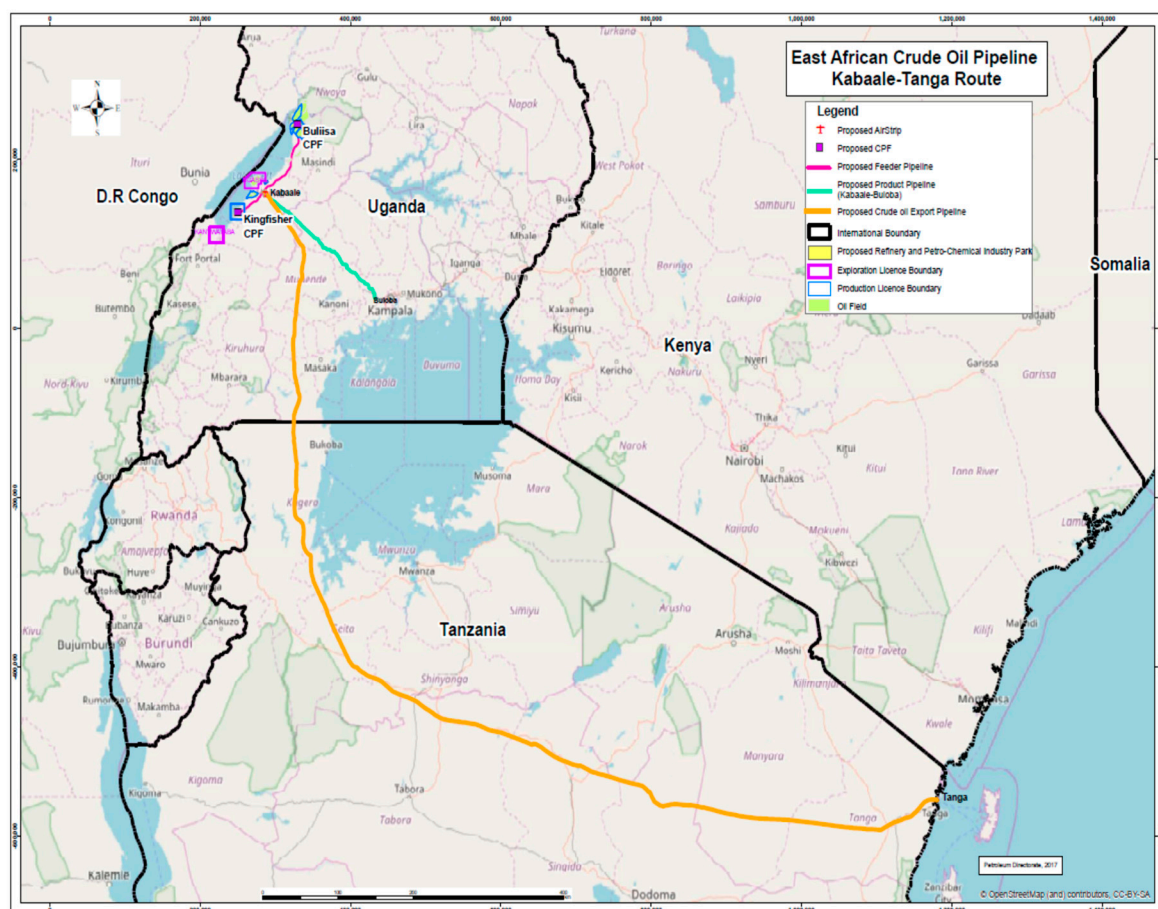


people and will lead to food insecurity. The Kingfisher project will change the livelihoods of local inhabitants forever.

Based on the extent of landtake on the Buhuka Flats, households will face a reduction in available grazing land for cattle. Overall, 8.4% of the available grazing land on the Flats will be taken up by the CNOOC construction footprint. Whilst this will be compensated for, individuals may find it extremely difficult to source sufficient affordable alternatives for feeding livestock. This could result in a disruption of livelihood related activities, or even their suspension, with associated increased levels of poverty. This magnitude of the impact is potentially high, with long term consequences for the affected individuals. [51] (p.133)

#### 4.3. The East Africa Crude Oil Export Pipeline (EACOP)

The East Africa Crude Oil Export Pipeline (EACOP) is pipeline intended to bring crude oil from Albertine Graben to a port, where it can be exported to world markets. It is primarily a project of the three joint venture oil companies (CNOOC, Total, and Tullow), with the Uganda National Oil Company and the Tanzania Petroleum Development Corporation as shareholders [53]. Although the Government of Uganda could have required the three joint venture partners to provide this infrastructure, for various reasons which are not entirely clear (and not relevant to this paper), the Ugandan government decided to be a partner in the project and be responsible for many key activities. Two routing options were considered, one through Kenya and one through Tanzania. Ultimately, the Tanzania route was chosen, running from Kabaale to Tanga [54] (Figure 2), and the Intergovernmental Agreement between Uganda and Tanzania was signed on 26 May 2017 [55].



**Figure 2.** Map of Eastern Africa, showing the approximate location of the pipeline. Source: Petroleum Authority of Uganda (2019), <https://pau.go.ug/uploads/EACOP.pdf>.



The EACOP will be a buried pipeline of 24 inches in diameter and 1446 km in length (296 km in Uganda and 1150 km in Tanzania). The project also comprises various above-ground installations and a storage terminal at Chongoleani, Tanga District, Tanzania. The pipeline will be heated and thermally insulated to maintain the oil temperature. Six pumping stations and two pressure reduction stations will be needed to establish the appropriate pressure for crude oil flow. Oil will be stored at the terminal until it is exported via oil tankers from the offshore loading facility at Chongoleani [56].

According to an official from the Ministry of Energy and Mineral Development, the approximate landtake for this project will be 1255 hectares in Uganda. Passing through nine districts in Uganda (Hoima, Kyankwanzi, Kikuube, Kakumiro, Sembabule, Lwengo, Gomba, Kyotera, and Rakai), the project will impact about 4300 people along the 296 km pipeline corridor in Uganda. According to an EACOP official, with landtake occurring between 2012 and 2014, about 200 residents were physically displaced, while the others were economically impacted, for which they will be appropriately compensated.

#### 4.4. The Kabaale Industrial Park

The Government of Uganda expropriated 2957 hectares from the communities in 13 surrounding villages in the Buseruka subcounty in the Hoima District to create the Kabaale Industrial Park in 2014. It was intended that the park would include an airport intended to service the oil and gas developments, as well as an oil refinery and crude oil export hub, and will have various services, including roads, electricity, and water supply.

The airport will become Uganda's second international airport. In February 2018, the Government of Uganda selected Solel Boneh International Holdings, a subsidiary of the Israeli infrastructure and real estate development firm, Shikun and Binui [57], to construct the airport at a cost of around 300 million USD. Using loan funds from United Kingdom sources, the Government of Uganda directly commissioned the airport, as it believes it is critical infrastructure needed to speed up oil production. Construction of the airport commenced in 2018 and is expected to be complete in 2020.

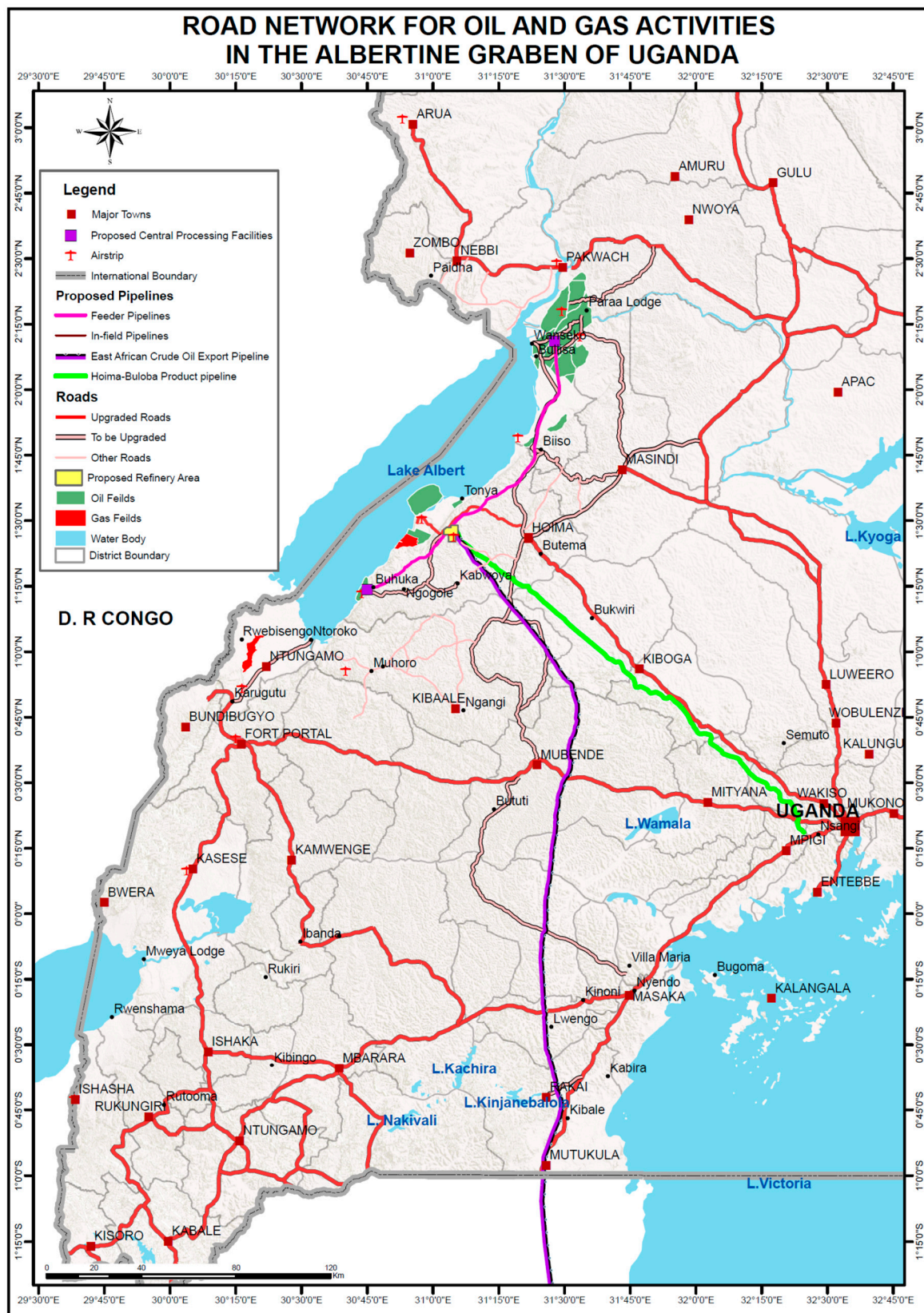
Given Uganda's oil reserves, President Museveni decided it would be a good idea for Uganda to have an oil refinery. The plan was that the refinery would be built on a 500 hectare section of the Kabaale Industrial Park. He tried to make the refinery a condition in the agreements with the three oil companies (CNOOC, Total, and Tullow), however, they were very reluctant. Museveni then sought external partners to construct the refinery. Two companies submitted tenders, RT Global Resources (a Russian company) and SK (a South Korean company), with the contract awarded to RT Global Resources in 2015. The initial intention was that the refinery, which would cost about 4 billion USD, would be owned and financed by private investors (60%) and five East African governments (Uganda, Kenya, Tanzania, Rwanda, and Burundi), with each country having an 8% stake [58]. The East African states had to confirm their participation by 2014, which was extended to 2016 when the first deadline was not met. The initial plan was thwarted when RT Global Resources pulled out in 2016 (and SK also declined), and because Burundi and Rwanda did not have any interest in the scheme. Tanzania had agreed to its 8% stake, although Kenya only agreed to 2.5%, but Total agreed to 10% [59]. Nevertheless, this was still well short of the necessary contributions. Therefore, Uganda looked to China to finance the project, or at least for the Ugandan share, however China declined to fund it. Many Ugandans and others opposed the refinery, arguing it would be a liability, but the President and government dismissed all criticism, arguing it was a strategic decision to construct the refinery, saving Uganda a petroleum import bill of around 1 billion USD annually [60]. Although the exact financing arrangements have not been made clear, in April 2018 it was announced that a deal to build the refinery had been signed with the Albertine Graben Refinery Consortium, comprised of YAATRA Ventures [61], Lionworks Group Limited [62], Nuovo Pignone International S.r.l (a General Electric company located in Italy), Saipem SpA (Italy), and the government-owned Uganda National Oil Company [43]. However, apart from the land having been reserved for the refinery within the Kabaale Industrial Park, as of mid-2019, no progress on the refinery has yet been made.

Land acquisition for the Kabaale Industrial Park commenced in 2012. A Resettlement Action Plan was completed in 2012, indicating that some 7118 persons would be affected. Some 93 families chose to be relocated, while 2670 households opted for cash compensation. Payment of cash compensation commenced in December 2013, and by December 2017, the vast majority had been compensated, with only a few complicated cases remaining. In 2013, with the help of an NGO (the African Institute for Energy Governance), some aggrieved persons sought court action over what they regarded as unfair compensation [3,4,63]. A Ministry of Energy and Mineral Development official commented that “some NGOs had turned the resettlement issue into a money-making agenda” [64]. However, as of mid-2019, this case has not yet been resolved. The Petroleum Authority of Uganda argued that those who had not yet been compensated either never formally presented themselves for verification or were those whose grievances were still being addressed. How the grievances were handled attracted a lot of media and public attention, and potentially has implications for the ongoing development of oil and gas infrastructure. If the project-affected people win, it will be a stimulus to other people to seek court action. If they lose, it will be difficult for the oil companies to gain a local social licence to operate, and there will be a risk of sabotage of equipment and other protest actions [26].

#### *4.5. The Hoima–Kampala Petroleum Products Pipeline (HKPPP)*

The HKPPP will be developed by the Government of Uganda, represented by the Ministry of Energy and Mineral Development. The pipeline (or rather a cluster of pipelines) will transport refined oil products from the planned Kabaale refinery in the Kabaale Industrial Park near Hoima to a distribution terminal located in the Wakiso district near Kampala (Figure 3). The total length of the pipeline cluster will be approximately 210 kilometres, and the pipeline route will require an additional 121 hectares of land [64]. The pipeline cluster will be accompanied by communications cables, a dual carriage highway, and power transmission lines, all contained within a 110-metre-wide utility corridor. It is intended that the pipeline cluster will transport various products, including jet fuel, gasoline, kerosene, and diesel fuel.

Apart from the acquisition of land, another social issue will be that the distribution terminal in Wakiso will be near some residential communities, with a potential for death from accidents or sabotage. The consequences of the landtake for the pipeline will be twofold. First, some people will be pushed from their present urban setting into rural areas and will therefore experience a decline in access to social services, while others will be pushed into more urban areas, experiencing higher costs of living. Secondly, it is expected that along the pipeline route there will be an influx of job-seekers. These immigrants may be a source of tension and a threat to local people in that they will be competing for the few available jobs, increase demand on resources, and contribute to local inflation.



**Figure 3.** Map showing the position of the Hoima–Kampala Petroleum Products Pipeline. Source: Petroleum Authority of Uganda (2019) [https://pau.go.ug/uploads/ROAD\\_NETWORK\\_AG.pdf](https://pau.go.ug/uploads/ROAD_NETWORK_AG.pdf).



## 5. Discussion: The Cumulative Impacts of Landtake for Oil Development

It is expected that the land acquisition for the projects discussed in this paper will have major social impacts on the lives and livelihoods of the affected communities. They will be displaced from their land, something which is fundamental to their livelihoods. With no access to land, some families will end up in towns, which may lead to impoverishment and reduced wellbeing [14]. The worrying aspect about these displacements is that most project affected persons are peasants engaged in agriculture, grazing, and fishing, and they may find it hard to cope in a new environment with different economic activities [51]. The Kabaale Industrial Park, for example, led to the displacement of over 7000 people, while the Tilenga Project will affect over 600 people. One of the long-lasting impacts of land acquisition for oil and gas production is the permanent displacement of people from their land, often without adequate provision of sustainable alternative livelihood options.

Many project-affected persons have grievances relating to the compensation processes [4], and some have regretted the decisions they made, which have now rendered them homeless and impoverished. There are fears that the oil developments will contribute to an influx of immigrants, especially in the main urban centres of Hoima, Masindi, Biiso, and Pakwach. It is uncertain whether the immigrants will get the jobs they anticipate [65]. What is more likely is that they will compete with local people for the few unskilled jobs in the region. There are tensions over job opportunities between local youth (meaning those who are born in the region) and 'foreign people' (Ugandans and others from outside the project areas).

As a result of the project-induced in-migration, the population of the region is steadily increasing. This has many implications. The cost of living will increase, the limited available social services will be over-stretched, and the very poor will not be able to access these services [6]. The Tilenga Project ESIA [37] acknowledged that, because the various projects have different timelines, a high population growth will continue to be experienced for many years. The ESIA observed that the cumulative population growth would exacerbate project impacts, especially access to land and shelter. The increasing demand would result in inflation, including in the price of land and housing. An implication of this is that the project affected persons who have been paid cash compensation will find it very difficult to find replacement land elsewhere, as the prices will likely increase beyond the levels of compensation they were paid, as was experienced by the people displaced by the Kabaale Industrial Park [3,4].

The increasing demand for land has created land speculation in the region. While some owners may consider they will benefit from what they perceive to be high prices they have been (or might be) paid for their land, the majority of land owners are illiterate and potentially lack understanding of the full implications of selling their land. They likely do not have access to legal or para-legal support in the land transaction process, thus they are easily swindled. A further problem is that most land is communally owned, and without land title. Land speculation pushes land prices up and encourages the commercialisation of land. The transition to formal land tenure inevitably means that cash-poor households will opt to sell and will then become excluded from owning any assets and from continued access to land [6,37,66]. The cumulative landtake for the developments in the area means that there will be less land available for local communities, which might lead to food shortages and to undesirable living conditions, at least for the poorest. Therefore, the government has to ensure that any landtake should not lead to impoverishment, rather it should lead to the betterment of the lives of project affected persons.

AECOM [37] considered that oil and other infrastructure developments would stimulate the local economy, create jobs and business opportunities, and increase disposable incomes. The taxes and revenues would contribute to local and national government revenue, some of which would be spent on improving public infrastructure and services, which would further promote economic growth. The challenge is to ensure that the government spends this money appropriately. Unfortunately, the Ugandan government is no stranger to corruption and wasteful spending [67,68]. The vast amount of money from oil developments is likely to lead to corrupt behaviours [31], which results from and



in weak institutions [69]. Collier [27] regarded the resource curse as primarily a political phenomenon, which generates a range of dysfunctional rent-seeking behaviours.

Rural peasants may be manipulated by middlemen or local agents into selling-off their land at less-than-replacement prices. Sometimes, they are threatened or intimidated into selling. An official from the Bunyoro Kitara Kingdom described the land grabbing actions of highly-connected people in government and noted that the Bunyoro people were helpless against it because the land grabbers were being protected by the government. Land speculation and its displacement has knock-on effects in that people pushed out of higher-value land encroach upon more marginal land, creating inflation at lower levels, with poorer people becoming completely priced out of the land market [39].

The cumulative landtake will ultimately lead to a large-scale conversion of former agricultural land to industrial and commercial purposes [37]. This may render local people vulnerable to food insecurity, prostitution, landlessness, and increased poverty [70]. AECOM [37] identified many pertinent issues and concluded that many economically displaced households would not return to their previous livelihood activities, but were likely to try to find work in urban and semi-urban areas or in the oil projects, which would lead to changes in livelihood and employment patterns in the region, with both positive and negative effects [37]. In the case of the Kabaale Industrial Park, over 7000 people were displaced. Some of these people are no longer in agriculture, which was previously their main livelihood activity. Some ventured in *boda boda* (motor cycle) businesses that have since collapsed. On the positive side, it was noted that the oil developments presented opportunities for those able to get formal jobs, who would likely earn more and would be able to upskill. Conversely, those unable to find employment would experience increased insecurity and impoverishment. The projects will also contribute to community disarticulation and the disruption of people's livelihoods in many ways.

## 6. Conclusions

This paper examined the social impacts of land acquisition for five projects associated with oil and gas development in Uganda. Should they all proceed as planned, collectively, these five projects will consume around 115,000 hectares of land and will displace nearly 15,000 people. The potential and actual social impacts of these projects on the local communities are many and varied, including: increased levels of poverty, conversion of agricultural land to industrial purposes increasing food insecurity, inflation in the cost of goods and services, community disarticulation, and disruption of people's lives and livelihoods.

The influx of immigrants is viewed by local people as a threat to their survival due to increased competition for limited job opportunities. Since most land is communally owned, faced with the prospect of having land bought or expropriated, there are social tensions within communities about how land might be kept sufficiently intact for viable agricultural production, and over how the community might be able to cash-in on such opportunities. Another challenge is how the proceeds from the sale of land should be used. Women are still socially excluded from owning land, which is a major concern when it comes to fair compensation and their future livelihoods. In most cases, they have been made worse off by the land acquisition for oil development in Uganda.

On a positive side, these projects have created job opportunities for some of those people with the necessary qualifications, although not all those who are qualified can be absorbed. The new roads, dubbed locally as 'oil roads', have greatly improved accessibility to and within the region. The enhanced movement of goods and people has made many things easier and cheaper, although has generated much in-migration. We recommend that the government and oil companies ensure that any land acquisition does not lead to impoverishment of communities. Instead, land acquisition should lead to the betterment of the lives of displaced persons, project affected people and surrounding communities, irrespective of whatever resettlement option they have chosen. Land grabbing and speculation should be seriously addressed in order to protect communities from being manipulated and short-changed.

**Author Contributions:** Conceptualization, T.O. and F.V.; Methodology, T.O.; Formal analysis, T.O.; Investigation, T.O. and F.V.; Writing—original draft preparation, T.O.; Writing—review and editing, T.O. and F.V.; Supervision, F.V.; Project administration, F.V.; Funding acquisition, T.O.

**Funding:** This research was funded by a Nuffic Scholarship from the Netherlands Government.

**Acknowledgments:** We thank Kizito Nyanzi and Eunice Busisa for research assistance. Arjan van den Assem is also a supervisor of this PhD research and has contributed to the ideas expressed.

**Conflicts of Interest:** The authors declare no conflict of interest.

## References and Notes

1. Vokes, R. The politics of oil in Uganda. *Afr. Aff.* **2012**, *111*, 303–314. [CrossRef]
2. Hong, P.Y.; Singh, S.; Ramic, J. Development induced impoverishment among involuntarily displaced populations. *J. Comp. Soc. Welf.* **2009**, *25*, 221–238. [CrossRef]
3. Ogwang, T.; Vanclay, F.; van den Assem, A. Impacts of the oil boom on the lives of people living in the Albertine Graben region of Uganda. *Extr. Ind. Soc.* **2018**, *5*, 98–103. [CrossRef]
4. Kinyera, P.B. Land, oil and expressions of citizenship in Uganda's Albertine Graben. *Extr. Ind. Soc.* **2019**, *6*, 110–119. [CrossRef]
5. Olanya, D.R. Will Uganda succumb to the resource curse? *Extr. Ind. Soc.* **2015**, *2*, 46–55.
6. Vanclay, F. Project-induced displacement and resettlement: From impoverishment risks to an opportunity for development? *Impact Assess. Proj. Apprais.* **2017**, *35*, 3–21. [CrossRef]
7. IFC. *Guidance Note 5: Land Acquisition and Involuntary Resettlement*; International Finance Corporation: Washington, DC, USA, 2012.
8. Smyth, E.; Vanclay, F. The social framework for projects: A conceptual but practical model to assist in assessing, planning and managing the social impacts of projects. *Impact Assess. Proj. Apprais.* **2017**, *35*, 65–80. [CrossRef]
9. van der Ploeg, L.; Vanclay, F. A human rights based approach to project-induced displacement and resettlement. *Impact Assess. Proj. Apprais.* **2017**, *35*, 34–52. [CrossRef]
10. van der Ploeg, L.; Vanclay, F. Challenges in implementing the corporate responsibility to respect human rights in the context of project-induced displacement and resettlement. *Resour. Policy* **2018**, *55*, 210–222. [CrossRef]
11. World Bank. *Involuntary Resettlement Sourcebook*; World Bank: Washington, DC, USA, 2004.
12. Vanclay, F. Principles to assist in gaining a social licence to operate for green initiatives and biodiversity projects. *Curr. Opin. Environ. Sustain.* **2017**, *29*, 48–56. [CrossRef]
13. Vanclay, F.; Hanna, P. Conceptualising company response to community protest: Principles to achieve a social licence to operate. *Land* **2019**, *8*, 101. [CrossRef]
14. Cernea, M. The Risks and Reconstruction Model for resettling displaced populations. *World Dev.* **1997**, *25*, 1569–1587. [CrossRef]
15. Alao, A. *Natural Resources and Conflict in Africa: The Tragedy of Endowment*; University of Rochester Press: New York, NY, USA, 2007.
16. Mosbacher, J. Fighting the resource curse: Uganda's pivotal moment. *Wash. Q.* **2013**, *36*, 43–54. [CrossRef]
17. Collier, P. *The Bottom Billion; Why the Poorest Countries are Failing and What Can be Done About It*; Oxford University Press: Oxford, UK, 2007.
18. Basedau, M.; Lay, J. Resource curse or rentier peace? The ambiguous effects of oil wealth and oil dependence on violent conflict. *J. Peace Res.* **2009**, *46*, 757–776. [CrossRef]
19. Van Der Ploeg, F. Natural Resources: Curse or Blessing? *J. Econ. Lit.* **2011**, *49*, 366–420. [CrossRef]
20. Goumandakoye, H. Oil in Niger: A foundation for promise or a new resource curse? *Extr. Ind. Soc.* **2016**, *3*, 361–366. [CrossRef]
21. Ross, M. What have we learned about the resource curse? *Annu. Rev. Polit. Sci.* **2015**, *18*, 239–259. [CrossRef]
22. Stuesson, A.; Zobel, T. The Extractive Industries Transparency Initiative (EITI) in Uganda: Who will take the lead when the government falters? *Extr. Ind. Soc.* **2015**, *2*, 33–45. [CrossRef]
23. Shepherd, B. *Oil in Uganda: International Lessons for Success*; The Royal Institute of International Affairs: London, UK, 2013; Available online: [https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Africa/0113pr\\_ugandaoil.pdf](https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Africa/0113pr_ugandaoil.pdf) (accessed on 23 May 2019).

24. Collier, P. *The Plundered Planet: Why We Must and How We Can Manage Nature for Prosperity*; Oxford University Press: New York, NY, USA, 2010.
25. Collier, P.; Hoeffler, A. Resource rents, governance, and conflict. *J. Confl. Resolut.* **2005**, *49*, 625–633. [CrossRef]
26. Hanna, P.; Vanclay, F.; Langdon, E.J.; Arts, J. Conceptualizing social protest and the significance of protest action to large projects. *Extr. Ind. Soc.* **2016**, *3*, 217–239. [CrossRef]
27. Collier, P. The institutional and psychological foundations of natural resource policies. *J. Dev. Stud.* **2017**, *53*, 217–228. [CrossRef]
28. Bategeka, L.; Matovu, J. *Oil Wealth and Potential Dutch Disease Effects in Uganda*; Economic Policy Research Centre: Kampala, Uganda, 2011; Available online: [https://www.africaportal.org/documents/10469/Research\\_Series\\_81.pdf](https://www.africaportal.org/documents/10469/Research_Series_81.pdf) (accessed on 23 May 2019).
29. Esteves, A.M.; Vanclay, F. Social Development Needs Analysis as a tool for SIA to guide corporate-community investment: Applications in the minerals industry. *Environ. Impact Assess. Rev.* **2009**, *29*, 137–145. [CrossRef]
30. Jijelava, D.; Vanclay, F. Legitimacy, credibility and trust as the key components of a Social Licence to Operate: An analysis of BP's projects in Georgia. *J. Clean. Prod.* **2017**, *140*, 1077–1086. [CrossRef]
31. Jijelava, D.; Vanclay, F. How a large project was halted by the lack of a Social Licence to Operate: Testing the applicability of the Thomson and Boutilier Model. *Environ. Impact Assess. Rev.* **2018**, *73*, 31–40. [CrossRef]
32. Ogwang, T.; Vanclay, F.; van den Assem, A. Rent-Seeking Practices, Local Resource Curse, and Social Conflict in Uganda's Emerging Oil Economy. *Land* **2019**, *8*, 53. [CrossRef]
33. Vanclay, F.; Baines, J.; Taylor, C.N. Principles for ethical research involving humans: Ethical professional practice in impact assessment Part I. *Impact Assess. Proj. Apprais.* **2013**, *31*, 243–253. [CrossRef]
34. Deininger, K.; Castagnini, R. Incidence and impact of land conflict in Uganda. *J. Econ. Behav. Organ.* **2006**, *60*, 321–345. [CrossRef]
35. Doss, C.; Meinzen-Dick, R.; Bomuhangi, A. Who owns the land? Perspectives from rural Ugandans and implications for large-scale land acquisitions. *Fem. Econ.* **2014**, *20*, 76–100. [CrossRef]
36. Government of Uganda. *Constitution of the Republic of Uganda*; Embassy of the Republic of Uganda: Washington, DC, USA, 1995; Available online: <https://ulii.org/ug/legislation/consolidated-act/0> (accessed on 23 May 2019).
37. AECOM. *Tilenga Project: Environmental and Social Impact Assessment*; National Environment Management Authority: Nairobi, Kenya, 2018; Volume IV–V, Available online: [https://www.eia.nl/docs/mer/diversen/tilenga\\_esia\\_volume\\_iv\\_13-09-18.pdf](https://www.eia.nl/docs/mer/diversen/tilenga_esia_volume_iv_13-09-18.pdf) (accessed on 23 May 2019).
38. Doss, C.; Truong, M.; Nabanoga, G.; Namaalwa, J. Women, marriage and asset inheritance in Uganda. *Dev. Policy Rev.* **2012**, *30*, 597–616. [CrossRef]
39. Cotula, L.; Vermeulen, S.; Leonard, R.; Keeley, J. *Land Grab or Development Opportunity? Agricultural Investment and International Land Deals in Africa*; IIED/FAO/IFAD: London, UK; Rome, Italy, 2009; Available online: <http://www.fao.org/3/a-ak241e.pdf> (accessed on 23 May 2019).
40. Schilling, J.; Locham, R.; Scheffran, J. A local to global perspective on oil and wind exploitation, resource governance and conflict in Northern Kenya. *Confl. Secur. Dev.* **2018**, *18*, 571–600. [CrossRef]
41. Bainomugisha, A.; Kivengyere, H.; Tumasirwe, B. *Escaping the Oil Curse and Making Poverty History: A Review of the Oil and Gas Policy and Legal Framework for Uganda*; ACODE: Kampala, Uganda, 2006; Available online: [https://www.africaportal.org/documents/9141/PRS\\_20.pdf](https://www.africaportal.org/documents/9141/PRS_20.pdf) (accessed on 23 May 2019).
42. Anseeuw, W.; Alden, C. *The Struggle Over Land in Africa: Conflicts, Politics and Change*; HSRC Press: Pretoria, South Africa, 2010.
43. Uganda—Oil and Gas. Available online: <https://www.export.gov/article?id=Uganda-Oil-and-Gas> (accessed on 23 May 2019).
44. Golder Associates. *Environmental and Social Impact Assessment for the CNOOC Uganda Ltd Kingfisher Oil Development, Uganda: Report—Non-Technical Summary*; Golder Associates Africa: Durban, South Africa, 2018.
45. Available online: <https://www.total.com> (accessed on 23 May 2019).
46. WWF; CSCO. *Safeguarding People and Nature in the East African Crude Oil (EACOP) Pipeline Project: A Preliminary Environmental and Socio-Economic Threat Analysis*; WWF and CSCO: Kampala, Uganda, 2017; Available online: [https://wwf-sight.org/wp-content/uploads/2017/07/Safeguarding-Nature-and-People-Oil-and-Gas-Pipeline\\_Factsheet.pdf](https://wwf-sight.org/wp-content/uploads/2017/07/Safeguarding-Nature-and-People-Oil-and-Gas-Pipeline_Factsheet.pdf) (accessed on 23 May 2019).
47. Atacama Consulting. *Tilenga Project: Resettlement Action Plan 1 (RAP1) for the Proposed Industrial Area and N1 Access Road*; Atacama Consulting: Kampala, Uganda, 2018.

48. NTV Uganda. Lands Minister Betty Amongi, Buliisa Residents Clash Over Oil Compensation Rates. Available online: <https://www.youtube.com/watch?v=xOQNrz2i6b4> (accessed on 23 May 2019).
49. Interview with a Member of Parliament from Bunyoro Sub-Region. (Kampala, December, 2018).
50. Oil & Gas Exploration and Development. Available online: <https://www.cnooc.com.cn/en/> (accessed on 23 May 2019).
51. Golder Associates. *Environmental and Social Impact Assessment for the CNOOC Uganda Ltd Kingfisher Oil Development, Uganda: Social and Cultural Heritage*, Vol. 4C; Golder Associates Africa: Durban, South Africa, 2018.
52. International Alert. *Oil and Water?: The Impact of Oil on Livelihoods in Uganda*; International Alert: London, UK, 2015; Available online: [http://www.international-alert.org/sites/default/files/Uganda\\_OilAndWaterPhotoEssay\\_EN\\_2015.pdf](http://www.international-alert.org/sites/default/files/Uganda_OilAndWaterPhotoEssay_EN_2015.pdf) (accessed on 23 May 2019).
53. For Details of the Joint Venture Partners and Shareholders. Available online: <http://eacop.com/> (accessed on 15 June 2019).
54. The East Africa Crude Oil Pipeline Route. Available online: <http://eacop.com/the-route/route-description-map/> (accessed on 15 June 2019).
55. Uganda and Tanzania Sign Inter-Governmental Agreement for Crude oil Pipeline. Available online: <http://eacop.com/publication/uganda-and-tanzania-sign-inter-governmental-agreement-for-crude-oil-pipeline/> (accessed on 15 June 2019).
56. East African Crude Oil Pipeline Project. Available online: <http://www.pau.go.ug/midsteam/east-african-crude-oil-pipeline-project/> (accessed on 15 June 2019).
57. Solel Boneh International Holdings. Available online: <https://www.shikunbinui.com> (accessed on 23 May 2019).
58. The Independent. Uganda. 'First Oil' date moves to 2022—Minister Muloni. 20 December 2018. Available online: <https://www.independent.co.ug/uganda-now-to-get-first-oil-by-2022-minister-muloni/> (accessed on 23 May 2019).
59. Anyanzwa, J. Uganda Likely to Pay More for Refinery. 29 September 2018. Available online: <https://www.theeastafrican.co.ke/business/Uganda-likely-to-pay-more-for-refinery/2560-4783284-qvokodz/index.html> (accessed on 23 May 2019).
60. Matsiko, H. American to build Uganda's refinery? The Independent, 17 October 2016. Available online: <https://www.independent.co.ug/news-analysis-american-build-ugandas-refinery/> (accessed on 23 May 2019).
61. YAATRA. Available online: <https://www.yaatraventures.com/> (accessed on 23 May 2019).
62. Lionworks Group Limited. Available online: <http://lionworkscapital.com/> (accessed on 23 May 2019).
63. Imaka, I.; Musisi, F. Oil Refinery: Residents Reject Government Pay. *Daily Monitor*. 6 October 2013. Available online: <https://www.monitor.co.ug/News/National/Oil-refinery--Residents-reject-government-pay/688334-2019962-2fux9mz/index.html> (accessed on 23 May 2019).
64. Interview with a Ministry of Energy and Mineral Development official (Kampala, December, 2018).
65. Mawejje, J. The oil discovery in Uganda's Albertine region: Local expectations, involvement, and impacts. *Extr. Ind. Soc.* **2019**, *6*, 129–135. [CrossRef]
66. Busscher, N.; Parra, C.; Vanclay, F. Environmental justice implications of land grabbing for industrial agriculture and forestry in Argentina. *J. Environ. Plan. Manag.* **2019**, 1–23. [CrossRef]
67. Human Rights Watch. *Letting the Big Fish Swim: Failures to Prosecute High-Level Corruption in Uganda*; Allard, K., Ed.; Lowenstein International Human Rights Clinic, Yale Law School; Human Rights Watch: New York, NY, USA, 2013; Available online: [https://www.hrw.org/sites/default/files/reports/uganda1013\\_ForUpload\\_1.pdf](https://www.hrw.org/sites/default/files/reports/uganda1013_ForUpload_1.pdf) (accessed on 23 May 2019).
68. Transparency International. Corruption Perceptions Index 2019. Available online: [https://www.transparency.org/whatwedo/publication/corruption\\_perceptions\\_index\\_2018](https://www.transparency.org/whatwedo/publication/corruption_perceptions_index_2018) (accessed on 23 May 2019).
69. Boutilier, R.G. Raiding the honey pot: The resource curse and weak institutions at the project level. *Extr. Ind. Soc.* **2017**, *4*, 310–320. [CrossRef]
70. Fielding-Miller, R.; Mnisi, Z.; Adams, D.; Baral, S.; Kennedy, C. "There is hunger in my community": A qualitative study of food security as a cyclical force in sex work in Swaziland. *BMC Public Health* **2014**, *14*, 79. [CrossRef] [PubMed]

